

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 281294

66
ORIGIN XMB-04

INFO OCT-01 AF-04 ISO-00 EB-07 RSC-01 /017 R

66613
DRAFTED BY: XMB-PATRICK J. MALLOY
APPROVED BY: EB/OCA/REP:JBRABENS
XMB-CHARLES E. HOUSTON
XMB-WARREN W. GLICK
AF/C PALMER
EB/IFD/ODF:EMLINTON

----- 031021

R 242121Z DEC 74
FM SECSTATE WASHDC
TO AMEMBASSY KINSHASA

LIMITED OFFICIAL USE STATE 281294

E.O. 11652: N/A
TAGS: EFIN
SUBJ: EXIMBANK'S UNANSWERED LETTER OF AUGUST 22, 1974 TO BISENGIMANA
RWEMA

1. PARAGRAPH 2 BELOW CONTAINS TEXT OF EXIMBANK'S AUGUST 22, 1974
LETTER TO BISENGIMANA RWEMA REGARDING PLEDGE OF COPPER TO SECURE
BORROWINGS AN ANSWER TO WHICH HAS NOT BEEN RECEIVED. EMBASSY
REQUESTED TO FOLLOW-UP TO OBTAIN RESPONSE AS SOON AS POSSIBLE.

2. BEGIN TEXT: DEAR MR. DIRECTOR:

IT HAS COME TO OUR ATTENTION THAT THE REPUBLIC OF ZAIRE HAS
AGREED TO PLEDGE THE DELIVERY OF CERTAIN AMOUNTS OF COPPER AS
SECURITY FOR LOANS EXTENDED TO YOUR GOVERNMENT. WE MUST EXPRESS
TO YOU THE CONCERN OF THE EXPORT-IMPORT BANK OF THE UNITED STATES
THAT SUCH AN ACTION APPEARS TO CONTRAVENE UNDERSTANDINGS BETWEEN
YOUR GOVERNMENT AND EXIMBANK REGARDING OUR FINANCING OF THE INGA II
HYDROELECTRIC PROJECT AND THE INGA-SHABA TRANSMISSION LINE.

ONE IMPORTANT ASPECT OF THE SECURITY EXTENDED TO EXIMBANK,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 281294

IN CONSIDERATION OF OUR LOANS AND GUARANTEES FOR THESE PROJECTS, IS

THE GUARANTEE OF YOUR GOVERNMENT TO SUPPLEMENT THE REVENUES OF THE SOCIETE NATIONAL D'ELECTRICITE (SNEL) TO THE EXTENT NECESSARY TO MEET THE DEBT OBLIGATIONS OF SNEL. ANY SUPPLEMENTAL INVESTMENT IN SNEL WOULD BE FROM YOUR GOVERNMENT'S GENERAL REVENUES, SPECIFICALLY INCLUDING REVENUES DERIVED FROM THE SALE OR EXPORT OF COPPER. THE PLEDGE OF ANY OF YOUR GOVERNMENT'S COPPER ASSETS AS SECURITY TO OTHER LENDERS, THUS, MIGHT RESULT IN PREJUDICING THE ABILITY OF YOUR GOVERNMENT TO FULFILL ITS OBLIGATIONS TO EXIMBANK UNDER OUR CREDIT AGREEMENTS RELATING TO THE INGA II AND INGA-SHABA TRANSMISSION LINE PROJECTS.

WILL YOU PLEASE INFORM US OF THE SPECIFIC DETAILS OF ANY SUCH PLEDGES WHICH HAVE BEEN MADE. THE EXPORT-IMPORT BANK DOES NOT PROPOSE THAT YOUR GOVERNMENT BREACH ANY AGREEMENTS THAT IT HAS ALREADY CONCLUDED WITH RESPECT TO PLEDGES OF COPPER AS SECURITY TO OTHER LENDERS. HOWEVER, WE TRUST THAT NO FUTURE PLEDGES OF YOUR GOVERNMENT'S COPPER ASSETS WILL BE MADE. WE CALL YOUR ATTENTION TO ARTICLE III, UNDERTAKINGS OF GUARANTOR (REPUBLIC OF ZAIRE), ARTICLE VIII(B), SUSPENSION BY EXIMBANK, AND ARTICLE X, EVENTS OF DEFAULT, UNDER THE CREDIT AGREEMENT RELATING TO THE INGA-SHABA TRANSMISSION LINE AND THE COMPARABLE SECTIONS OF THE CREDIT AGREEMENT RELATING TO INGA II.

WE TRUST, MR. DIRECTOR, THAT YOUR GOVERNMENT WILL UNDERSTAND AND AGREE WITH THE POSITION WE HAVE EXPRESSED HEREIN, AND THAT YOUR GOVERNMENT WILL GIVE US ITS ASSURANCE THAT IT WILL NOT AGAIN ENTER INTO ANY AGREEMENTS IN WHICH IT PLEDGES ITS COPPER ASSETS AS SECURITY FOR LOANS WITHOUT, AT LEAST, PRIOR CONSULTATION WITH THIS BANK. SINCERELY YOURS, WARREN W. GLICK, ACTING EXECUTIVE VICE PRESIDENT. END TEXT. KISSINGER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COPPER, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 DEC 1974
Decapton Date: 01 JAN 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE281294
Document Source: CORE
Document Unique ID: 00
Drafter: PATRICK J. MALLOY
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740374-0782
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741211/aaaaajgc.tel
Line Count: 91
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 04 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 SEP 2002 by shawdg>; APPROVED <19 MAR 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EXIMBANK'S UNANSWERED LETTER OF AUGUST 22, 1974 TO BISENGIMANA RWEMA
TAGS: EFIN, XMB, (RWEMA, BISENGIMANA)
To: KINSHASA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005